

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6598**

**BILL NUMBER:** SB 349

**NOTE PREPARED:** Jan 29, 2013

**BILL AMENDED:** Jan 24, 2013

**SUBJECT:** Municipal Utility Funds and Economic Development.

**FIRST AUTHOR:** Sen. Head

**FIRST SPONSOR:** Rep. Friend

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** *(Amended)* This bill adds to the chapter in the Indiana Code concerning donations by local units of government a provision authorizing a municipal legislative body, with the approval of the board of the municipality's municipally owned utility, to donate funds from the municipally owned utility's surplus earnings to a local economic development organization, as long as certain obligations of the municipally owned utility are met before the donation is made.

**Effective Date:** Upon passage; July 1, 2013.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *(Revised)* The long term fiscal impact would depend on how much revenue the utility donated to the local economic development organization, and if that revenue played a significant role in spurring successful economic development initiatives in the municipality.

**State Agencies Affected:**

**Local Agencies Affected:** Municipally owned utilities; Local economic development organizations.

**Information Sources:**

**Fiscal Analyst:** David Lusan, 317-232-9592.